

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **October 14, 2003**

AGENDA ITEM NO.: 2

CONSENT: **X**

REGULAR:

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Carryover of \$70,183 Unexpended from the FY 2002 School Operating Fund**

RECOMMENDATION: Adopt a resolution amending the FY 2004 General Fund Budget and appropriating \$70,183 for transfer to the School Operating Fund for funds unexpended during FY 2002 and amending the FY 2004 School Operating Fund Budget and appropriating \$70,183 to the School Operating Fund.

SUMMARY:

This action is requested in accordance with an agreement signed by the Lynchburg City Council and the Lynchburg City School Board dated December 14, 1993 (copy attached) This agreement provides for the creation and maintenance of a school operating fund balance for "the purpose of underwriting any occasional shortfalls from the various budgetary categories of direct State funding support as well as other applications, all based upon the required expenditure approval of the School Board."

With the addition of the \$70,183 for FY 2002, the accumulated fund balance as of July 1, 2002 was \$805,814. During the preparation of the FY 2003-09 Capital Improvement Plan, the School Board designated \$500,000 to be expended from the fund balance to pay approximately one-half of the cost of upgrading the windows and air conditioning at Heritage Elementary School. When that project is completed, the fund balance will be \$305,814.

PRIOR ACTION(S): May 6, 2003 Finance Committee
October 7, 2003 Finance Committee

FISCAL IMPACT: Utilization of these funds reduced the need to program or borrow funds in the current and subsequent years.

CONTACT(S):

Dr. James T. McCormick

Ms. Cynthia F. Page 522-3700 ext 104

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

Resolution:

BE IT RESOLVED THAT the FY 2004 General Fund Budget is amended and \$70,183 is appropriated for transfer to the School Operating Fund with resources of \$70,183 from unexpended FY 2002 School Operating appropriations to assist in the funding of certain designated expenditures from the School Capital Improvement Plan for \$500,000 for Heritage Elementary School, and;

BE IT FURTHER RESOLOVED THAT the FY 2003 School Operating Fund Budget is amended and \$70,183 is appropriated to assist in the funding of certain designated expenditures from the School Capital Improvement Plan for \$500,000 for Heritage Elementary School.

Introduced:

Adopted:

Certified:

Clerk of Council

176L

LETTER OF AGREEMENT
BETWEEN LYNCHBURG CITY COUNCIL
AND LYNCHBURG BOARD OF SCHOOL TRUSTEES

In accordance with the attached, duly-adopted Resolution, the Lynchburg City Council and the Lynchburg Board of School Trustees hereby agree that the creation and maintenance of a School Operating Fund Balance is desirable to the long-range financial interests of both entities and, even more importantly, to the citizens and the community which both bodies represent. Accordingly, the City Council supports such approach by indicating its willingness to reappropriate to such Fund Balance any duly-budgeted, non-debt service local funding which the Schools manage to avoid spending by the close of each fiscal year. Similarly, the School Board expresses its intention of continuing to exercise cautiousness in the expenditure of all budgeted, appropriated local funding to the Schools, and further understands that any such unexpended, non-debt service monies would become part of a Schools Operating Fund Balance.


The separate, above-mentioned Fund Balance would be maintained in the accounting records of the Lynchburg City Schools for the purpose of underwriting any occasional shortfalls from any of the various budgetary categories of direct State funding support as well as other applications, all based upon the required expenditure approval of the School Board. For informational purposes, the Lynchburg City School Board would advise City Council annually as to amount of funding in such School Operating Fund Balance as of July 1 of each fiscal year; and such information would be reflected in the overall financial information of the City of Lynchburg along with other customary fiscal data for the Lynchburg City Schools.

Based upon this understanding, the creation of the above-referenced Fund Balance would occur promptly and would include any unexpended, duly-budgeted, non-debt service local funding at the close of the current 1992-1993 fiscal year. It is understood that such practice would remain active in the years thereafter.

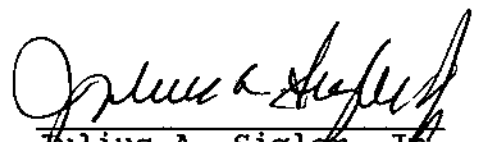
Lynchburg City Council

Lynchburg City School Board

By:


Julian R. Adams
Mayor

By:


Julius A. Sigler, Jr.
Chairman

Date:

12/14/93

Date:

December 20, 1993